

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCTS PRICE CHANGES  
RATES OF GENERAL APPLICABILITY

Docket No. CP2017-20

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**  
(October 26, 2016)

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 1, which was issued on October 24, 2016. Responses were due by October 28, 2016. The Postal Service is today filing responses to Questions 1-4, and 6-7. A response to Question 5 is forthcoming. Each question is reprinted verbatim and is followed by the Postal Service's response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
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October 26, 2016

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1. Please refer to Governors' Decision No. 16-7. Governors' Decision No. 16-7 states that the Priority Mail Express Commercial Plus prices were matched to the Priority Mail Express Commercial Base prices in 2016. Governors' Decision No. 16-7 at 2. Governors' Decision No. 16-7 also states that the Priority Mail Express Commercial Plus will continue to match Priority Mail Express Commercial Base prices in 2017. *Id.* However, Governors' Decision No. 16-7 states that Priority Mail Express Commercial Base prices will increase 2.4 percent on average, and Priority Mail Express Commercial Plus prices will increase 2.3 percent on average. *Id.* Please confirm that the difference in average price increases for Priority Mail Express Commercial Base and Priority Mail Express Commercial Plus is due to differences in volume distribution of these two products. If not confirmed, please explain.

**RESPONSE:**

Confirmed.

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2. Please refer to Governors' Decision No. 16-7 and Attachment, Part B, containing the draft text of the Mail Classification Schedule (MCS). Pursuant to 39 C.F.R. § 3015.3(b), please provide an explanation and justification for the following changes to the MCS:
- a. In section 2115.1, the deletion of the annual mailing permit fee for destination-entered Parcel Select mailpieces.
  - b. In section 2120.1, the deletion of the annual mailing permit and account maintenance fees for Parcel Return Service mailpieces.

**RESPONSE:**

- a-b. These changes were made to align with MCS changes addressed in Docket No. R2017-1. Please see Docket No. R2017-1, Notice, at pages 35-36 (October 12, 2016).

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3. Please refer to Excel file "PME Calc.xls," tab "Baseline Revenue," cells B4, M4, and X4. Please define the term "Hybrid Revenue" used in these cells.

**RESPONSE:**

The baseline revenue used in the price calculation consists of annual volume from the most recent full fiscal year, multiplied by prices current at the time of the filing. Because these two elements do not cover the exact same time period, their revenue is considered to be a hybrid of the two.

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4. Please refer to Excel file "PM Calc.xls," tab "Baseline Revenue," cells B3, L3, and V3. Please define the term "Hybrid Revenue" used in these cells.

**RESPONSE:**

The baseline revenue used in the price calculation consists of annual volume from the most recent full fiscal year, multiplied by prices current at the time of the filing. Because these two elements do not cover the exact same time period, their revenue is considered to be a hybrid of the two.

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6. Please refer to Excel file "IPA-ISAL Calc.xlsx," tabs "ISAL FY15 PQW Volume" and "IPA FY15 PQW Volume," cell B72 in each tab. Please reconcile the figures in these cells with the figures reported in the Fiscal Year (FY) 2015 Annual Compliance Report (ACR). If applicable, please file amended workpapers.

**RESPONSE:**

The volumes in ISAL FY15 PQW Volume and IPA FY15 PQW Volume reconcile with the FY 2015 ACR report when ISAL and IPA M-bag volume is excluded. The figures in cell B72 of both "ISAL FY15 PQW Volume" and "IPA FY15 PQW Volume" do not include ISAL and IPA M-bag volume respectively as those products are priced separately.

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7. Please refer to Excel file "Intl SpecServ Calc.xls," tab "INTL SPECIAL SERVICES," cell D24. Please reconcile the figure in this cell with the figure reported in the FY 2015 ACR. If applicable, please file amended workpapers.

**RESPONSE:**

The figure reported in the FY 2015 ACR is the total for International Money Transfer Service – Outbound, which is a Competitive Products MCS category comprised of Outbound International Money Orders and the International Money Transfer Service (SureMoney). The figure in cell D24 of the "INTL SPECIAL SERVICES" tab from "Intl SpecServ Calc.xls" refers specifically to Outbound International Money Orders.